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A PROPOSAL FOR GOVERNMENT REORGANIZATION ¹

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The Problem of Reorganization

THE primary defects of the organization of the executive branch of the government are: First, the inclusion in certain executive departments of agencies and activities which have little or no relation to each other, or to the major work which the departments were established to perform; second, the location in different departments of agencies whose work lies in the same field or, at any rate, in analogous fields; and third, the absence of definite direction and control of the executive branch as a whole. In a general way, at least, these defects are well known. Everyone is familiar, for example, with the incongruous character of the Interior Department, which for many years was the dumping ground for those administrative units for which no logical place could be found in the existing organization plan; with the inclusion in the Treasury Department of such obviously non-fiscal services as the Coast Guard, the Public Health Service, the Supervising Architect's Office, and more recently the Bureau of War Risk Insurance; with the fact that the bulk of our civil public works are executed under the direction of the War Department; although the Bureau of Public Roads is located in the Department of Agriculture and the Reclamation Service in the Department of the Interior. A large number of establishments, varying in size and importance from the Interstate Commerce Commission to the Commission for the Standardization of Screw Threads, maintain their existence in the executive branch of the government completely outside the jurisdiction of any of the ten department secretaries. Nominally, they are under the di-

¹ A more detailed presentation of this plan has been published by the National Budget Committee under this same title. 1920, New York, National Budget Committee, 7 West 8th street, pp. 48, 2d edit., 1921, price 25 cents.

rection of the President. As a matter of fact, the President is unable to keep in touch with even an insignificant portion of their activities. Many of these establishments pursue their course practically as they please, without the guiding and coordinating influences which would grow out of their association with other offices under a department head; and very often units of this category are almost lost sight of both by Congress in the assignment of work to the various branches of the service and by the President in the exercise of executive direction and control.

The problem of reorganization is restricted to the elimination of these defects. Strictly speaking, it involves no change in the fundamentals of the governmental structure, and contemplates neither a curtailment nor an expansion of governmental functions or activities. The need for reorganization springs wholly out of the fact that the executive departments, as they exist today, are not in any sense the product of intelligent planning, but the result of piecemeal building by successive congresses practically without a plan; and the sole purpose of reorganization should be to effect such a regrouping of the agencies that have been brought into existence in this piecemeal fashion, and such a reassignment of the activities which from time to time have been authorized by law, as will insure the most economical and effective prosecution of the proper objects of government as they have been determined by Congress.

This does not necessarily mean, however, that it will be impossible, or improper, to propose the establishment of new agencies or even of new executive departments (or, on the other hand, the discontinuation of existing agencies or departments in their present form). If it could be demonstrated, for example, that a considerable number of service units are scattered through the several departments, all dealing with various aspects of the general problem of promoting and protecting the public health—if it could be demonstrated that these units could be better managed if grouped under the same departmental direction, and that such a combination would be so large of itself that it could be effectively administered only if maintained separately from the jurisdiction of any existing executive department—under such an hypothesis, the establishment

of an independent department of public health would be unobjectionable as a part of the reorganization program. But it is not properly a part of such a program to expand the public health activities of the government, or to provide machinery for the conduct of enterprises in this field which have not been authorized by legislative action. Reorganization deals with ways and means, with machinery—not with purposes or objects; and it will therefore provide new departments only when necessary to the more effective conduct of enterprises already authorized, never in answer to a demand of this group or that group for the entry of the government upon a new field of endeavor.

It will nevertheless be necessary to take cognizance of the tendencies of the times, and to provide means whereby the various functions of government may steadily be extended and developed according to those tendencies, and with the least possible strain upon the executive organization. It would be a narrow-minded reorganization policy indeed that would ignore the question of what requirements the machinery of the government will be called upon to serve in the future. Although those requirements can not be forecast with absolute accuracy, it is nevertheless possible to build for the future at least to the extent of providing a definite place in the organization of the departments for the location and performance of each major function and object of government. Not the smallest of the advantages of grouping analogous activities in a single department will be the stimulation of growth and development, not of particular bureaus and offices, but of the major fields of government operation. And while the present program of reorganization should seek only to provide the means of a more effective and economical administration of existing enterprises, it will nevertheless clear the way for the later development of particular functions in response to popular demand.

If in attempting a reorganization of the executive branch of the federal government it is to be assumed that no consideration will be given to any proposals to effect changes in the fundamental principles upon which our governmental structure has been erected, and that no effort will be made to curtail or to extend the powers and functions which were delegated to the federal government by the Constitution, or which have been

assumed up to the present by the federal government under the most liberal interpretation of the Constitution, it is at once apparent that the program of reorganization is restricted to a careful consideration of the proper grouping of existing services and a proper distribution of the functions of government among those services. In carrying out this program, it will be necessary to lay the existing organization upon the dissecting table, to analyze minutely the activities of each governmental agency, and to effect that regrouping of services which will best lend itself to an economical and efficient administration of public affairs.

Reorganization is, however, something more than a mere transfer of agencies from one jurisdiction to another, or a mere statutory shifting of lines of authority. Real reorganization means eliminations, consolidations, cutting down overhead, reduction of force, improvement of service. These things can not be accomplished by statute. They are essentially matters for administrative action. But the great obstacle in the way of executive action of this sort lies in the heterogeneous character of the most important executive departments and in the statutory location in different departments of units whose work is similar, or at least in similar fields. This condition is the result of legislative action, and an effective bar against real reorganization which only legislative action can remove. The Coast and Geodetic Survey, the Lakes Survey, and the Navy Hydrographic Office, for instance, are separate agencies engaged in making marine surveys. That there are duplications in their equipment and work and much needless overhead expense, there can be no doubt. But so long as they are permitted to maintain their existence in three separate executive departments, duplications and waste can not be eliminated.

To obtain the benefit of real reorganization, all services operating in the same field, services conducting operations of a similar character, must, by law, be placed under one general direction; and conversely, the field of each department must, so far as possible, be restricted to a single class of closely related activities. Reorganization can then follow naturally. Effective cooperative relations can be established between services engaged in analogous lines of work. Duplications of equipment, plant, and activities can be eliminated. Services whose

work is sufficiently similar in character can be consolidated. Unnecessary services can be discontinued and duties more logically assigned among the working units which remain.

Reorganization legislation, in itself, can accomplish only three things—or more strictly speaking, that part of the program of reorganization which can be accomplished by statute consists of three things: First, the grouping together of services of like character, or whose work is analogous; second, the restriction of the field of each department, so far as practicable, to a single class of closely related activities; and third, the investment of the chief executive with authority to make such organization changes within the respective departmental jurisdictions as may be necessary in the interest of economical administration and improved service.

In formulating reorganization legislation it will be necessary at the outset to lay down certain principles upon which to base the regrouping of agencies departmentally. Two standards have been suggested by which service units may be evaluated in order to determine their respective places in the organization as a whole. The first is that agencies performing analogous functions or having analogous objects should be grouped together. The second is that agencies requiring the same variety of mechanical equipment, using the same methods and procedures, and employing personnel of similar qualifications, should be placed under the same management without regard to the general functions which they variously perform or to the objects which they respectively seek to attain. Needless to say, the functional standard and the mechanical standard are sometimes, although not often, in sharp conflict. Under the theory of grouping federal agencies according to the major objects of government, a unit created to foster thrift among our citizens, and particularly among industrial workers, would certainly never have been located in the Post Office Department, whose major object is to carry the mail. But that department is the sole federal establishment maintaining offices in all sections of the country, however remote; and quite correctly, the mechanical standard was permitted to prevail against the functional standard in the establishment of the Postal Savings Bank under the jurisdiction of the Postmaster General. But the reverse is usually true. Whether appropriately or not, the War De-

partment, the Navy Department, and the Post Office Department separately maintain aerial services, on the theory that regardless of questions of mechanics there should be no suggestion of confusing the three major governmental objects involved, national defense by land, national defense by sea, and carrying the mail.

It is obvious, of course, that neither of these standards can be applied to the exclusion of the other. Indeed, in most cases they run parallel. Where they are in conflict, it is well to follow the general principle that services should be grouped according to the character of the major objects or functions for which they were created. But it will always be necessary to make exceptions, and here and there to allocate an agency to a particular jurisdiction solely from consideration of the character of the equipment and personnel required in the performance of its functions.

The foregoing observations upon the problem of government reorganization are intended to indicate the general principles which should guide the framers of reorganization legislation. Accepting these principles, the problem is stripped of much of its complexity. The reorganization program may be said to consist of an accurate inventory and evaluation of the major objects and functions of the national government as recognized by statute; a careful analysis of the organization and activities of existing agencies of government; a regrouping of those agencies by legislation so that service units operating in the same or analogous fields, whether judged by a functional or a mechanical standard, will be placed under the same general direction; and the subsequent consolidation, combination or elimination of agencies by executive action. Such a program is practical. It can arouse no objection except from special interests who find in it no opportunity to obtain a larger representation in the government. In the last analysis its results will be measured in terms of improved service and decreased cost. Since so far as practicable it will place but one general class of activities under the same executive direction and control, it will insure better supervision. Since it will group like activities together, it will permit standardization of practices and procedures, set up cooperative relations between analogous services, eliminate conflicts of jurisdiction, facilitate a logical

distribution of work by Congress and the executive, and make possible the formulation of fundamental and far-reaching policies with respect to broad fields of related work.

One of the primary defects of the governmental organization, previously pointed out, is the location under different jurisdictions of agencies which perform the same kind of work or work in analogous fields. This defect naturally accompanies, but is different from, the grouping together of unrelated activities. It is this scattering of related activities which has given rise to the charge of duplication of work between government establishments. It is often stated, for example, that such and such a number of government bureaus are engaged in health work; that so many are taking care of educational questions; that so many are making marine surveys, and so on. Very frequently, if not usually, these criticisms are grossly exaggerated, but it is a fact that work of the same kind, or at least in the same general field of activity, is, under the present system, now being carried on by a number of establishments under different supervision. As has already been indicated, the Bureau of Coast and Geodetic Survey, of the Department of Commerce, is engaged in surveying and charting our Atlantic and Pacific coasts, and the coasts of our insular and territorial possessions. A similar service is being performed by the War Department upon the Great Lakes and other navigable lakes, while the Navy Department, through its Hydrographic Office, is charged with the duty of making such coastal surveys as may be required in foreign waters. All three agencies publish and distribute maps and charts for navigational purposes. Again, both the Bureau of War Risk Insurance, of the Treasury Department, and the Bureau of Pensions, of the Department of the Interior, are engaged in paying pensions or compensation to soldiers and sailors and their dependents, practically the sole difference between these agencies being that the Pension Office has jurisdiction of cases arising with respect to service rendered wholly prior to October 6, 1917, while the Bureau of War Risk Insurance has analogous jurisdiction in cases arising with respect to service subsequent to that date. The civil governments of Porto Rico and the Philippines handle their relations with the United States through the Bureau of Insular Affairs of the Department of War, while the same work is performed by the

office of the Secretary of the Interior with relation to the civil governments of Alaska and Hawaii. The Bureau of Light-houses, of the Department of Commerce, is charged with the maintenance of light houses and other aids to navigation along our coasts, but the Coast Guard, which performs an analogous service in the maintenance of life-saving stations, likewise for the benefit of navigation, is located in the Department of the Treasury.

Cases of this kind will be discussed more fully in later pages, but it should perhaps be brought out here that the condition which the cases above enumerated serve to illustrate is alone of sufficient importance to give rise to an urgent need for a redistribution of many of the agencies of the government. The principal disadvantages which result from this condition are as follows:

First: Standardization of practices and procedures in a given field of work is impossible where activities in that field are carried on by two or three agencies, each under a different department head.

Second: Coordination and cooperation between like services, —services engaged in analogous fields of action— is extremely difficult and frequently wholly impossible when those services are subject to the direction and control of different executive officers of equal status and rank.

Third: Where two or more services, doing the same or similar work, are subject to the supervision of different executive officers, each service must maintain a separate administrative organization, a separate supply and personnel division, and so on, with the result that the administrative burden is an unnecessarily large factor in the cost of the work performed. Quite obviously, for example, the amalgamation in one department of the three agencies now engaged in the field of marine surveys would make possible the elimination of much overhead expense.

Fourth: Where similar work is being carried on in two or three different departments, Congress is frequently at a loss to determine which department should be selected to perform new work of the same kind, and frequently, under conditions of this sort, grave errors are made in the assignment of work by the legislative branch.

Fifth: Where two or more departments have jurisdiction in

the same or related fields of activity, conflicts of authority and jurisdiction are bound to arise, which often lead to actual duplications of work. It should be said in all fairness that such duplications are now kept to a minimum by the most commendable spirit of cooperation which is usually manifested by department heads and bureau chiefs in all cases of conflict of jurisdiction.

Sixth: The effect of this condition upon the departmental estimates and expenditures as they are viewed by Congress and the public is by no means the least important of the disadvantages that accrue from it. Under the present arrangement only fragmentary information can be derived from the accounts and estimates of the executive departments with respect to the cost of the various major functions and objects of government. Congress must scan the estimates of three departments to determine the needs of the government with respect to the administration of our colonies and territories. It must refer to the estimates of at least three departments to learn the requirements of the government with respect to public education. It would be almost impossible to determine without a most careful search of the records of the Department of Commerce, the Department of the Treasury, the Department of War, the Department of the Navy, and the United States Shipping Board, what have been the expenditures of the Government during any period in the interests of safeguarding and regulating navigation.

Seventh: No more serious disadvantage results from this condition than that it prevents a full development of initiative and causes a feeling of irresponsibility on the part of the administrative officers of the government. Each bureau chief becomes ambitious rather for the perpetuation of his particular establishment than for real effectiveness of the government in performing the particular service of which his work is a part. No bureau or office, for example, now feels any particular responsibility, least of all an exclusive responsibility, for the general welfare of former soldiers and sailors. The Pension Office, the Bureau of War Risk Insurance, the Public Health Service, and the Federal Board for Vocational Education, share the responsibility for ministering to the needs of these men and their dependents. No one establishment feels the necessity of

developing a permanent policy to be pursued by the government in such matters, and there is no single bureau to which the distressed ex-service man may look for relief or assistance. Obviously, great advantage would follow the entrusting of all these matters to a single department, in point both of quality of the service performed and of economy of administration.

Even were it possible, however, to correct immediately the two major defects which have been discussed, to set up departments which, so far as possible, are uni-functional, and to group together all agencies dealing with analogous problems, much would yet be lacking to give to the executive branch of the government its greatest possible effectiveness as an organization unit. The president, as the chief executive, is of course responsible for the administration of the government, and yet peculiarly enough he has, practically speaking, no agency to assist him in the discharge of this responsibility. The sole existing influence for the coordination of the work of the executive departments is the cabinet. The cabinet is, however, traditionally limited in its jurisdiction to the resolution of questions of policy and the giving of advice on such questions to the president. It does not function in an executive or administrative capacity. The President alone is, of course, unable to give attention to even a minute portion of the administrative questions which arise in and between the various departments and establishments. Indeed it may be said that each executive department is itself independent, and that each board, commission, or bureau which is outside the jurisdiction of any department, carries on its activities wholly without centralized executive supervision or direction, except in rare instances. Under such conditions as these, cooperation between departments has become altogether a matter of the personal inclination of department heads and the heads of independent establishments.

This is not a criticism of the chief executive or intended as such. The facts are that the Congress has not, up to the present, recognized the need of giving to the President the machinery which he must have in order to perform effectively the functions of the chief administrative officer of the government. He is now forced to rely solely upon a few executive assistants and an office force of some forty clerks and messengers for as-

sistance in performing duties which are constitutionally assigned to him. Naturally the entire time of so small a force is occupied in the transaction of the routine business of the President's office, connected with such matters as the making of appointments and the signature of commissions, and the consideration of legislation submitted for executive approval. In other words, the office of the President is recognized as a political rather than an administrative office and the business activities of the government are allowed to go practically without any unified supervision.

The Proposed Plan

The plan which is proposed below for a realignment of government agencies contemplates only such a reorganization as will facilitate to the greatest possible extent the elimination of the defects above enumerated. The proposals, therefore, are addressed directly to the proposition of regrouping the various branches of the service departmentally, with a view to restricting the field of each executive department to a single class of closely related activities and to grouping together those services which can operate to the best advantage under the same supervision.

The following conclusions have been reached, after careful study and analysis, concerning the departmental changes which should be made to reach the desired ends, as above described:

1. The Department of the Interior should be abolished, and a Department of Public Works established in its place to have jurisdiction over the following services:

From the Department of the Interior—

General Land Office

Geological Survey

Bureau of Mines

War Minerals Relief Commission

Reclamation Service

National Park Service

Division of Capitol Buildings and Grounds

Alaskan Engineering Commission

From the Department of Agriculture—

Bureau of Public Roads

Forest Service

From the Department of the Treasury—

Supervising Architect's Office

From the Department of War—

All national military parks, monuments and memorials

Board of Engineers for Rivers and Harbors

Board of Engineers of New York City

Office of Supervisor of the Harbor of New York

United States Engineer Offices

Mississippi River Commission

California Debris Commission

Board of Road Commissioners for Alaska

Office of Public Buildings and Grounds and Wash-
ington Monument

Other establishments, now independent—

Office of the Superintendent, State, War and Navy
Buildings

Rock Creek and Potomac Parkway Commission ¹

Commission of Fine Arts

Federal Power Commission ¹

2. A Department of Education and Health should be estab-
lished, to have jurisdiction over the following services:

From the Department of the Interior—

Office of Indian Affairs

United States Indian Service

Bureau of Pensions

Bureau of Education

St. Elizabeth's Hospital

Howard University

Freedmen's Hospital

Board of Indian Commissioners ²

From the Department of the Treasury—

Bureau of War Risk Insurance

Office of the Surgeon General, Public Health Service

Public Health Service

From the Department of Labor—

Children's Bureau

¹ This Commission should be abolished and its functions assumed by the Department of Public Works.

² This Board should be abolished and its functions terminated.

Other establishments, now independent—

United States Employees' Compensation Commission ¹

Federal Board for Vocational Education ²

United States Interdepartmental Social Hygiene Board

National Home for Disabled Volunteer Soldiers

Columbia Institution for the Deaf ³

3. The following services should be placed under the jurisdiction of the Department of Commerce:

From the Department of Agriculture—

Weather Bureau

From the Department of the Interior—

Patent Office

From the Department of the Treasury—

Coast Guard

From the Department of War—

Lakes Survey Office

Inland and Coastwise Waterways Service

From the Department of the Navy—

Hydrographic Office

Naval Observatory

Other establishments, now independent—

Commission for Standardization of Screw Threads ⁴

4. A Bureau of Insular and Territorial Administration should be created in the Department of State, to have jurisdiction over the relations of the United States with territorial and insular governments. The Bureau of Insular Affairs of the Department of War should be abolished.

5. A Bureau of Supply should be created as an independent establishment, to have charge of the purchase of supplies for all executive departments and independent establishments in

¹ This Commission should be abolished and its functions assumed by the Bureau of Pensions.

² This Board should be discontinued and its duties divided among the agencies of the Department of Education and Health.

³ A quasi-governmental institution, whose present independent status must be continued. See the more detailed elaboration of this plan, published by the National Budget Committee, 7 West 8th street, New York City.

⁴ This Commission should be abolished and its functions assumed by the Bureau of Standards.

the District of Columbia. The General Supply Committee (Treasury) should be abolished, and the Government Fuel Yards (Interior) transferred to the Bureau of Supply.

6. The Division of Secret Service and the Office of the Prohibition Commissioner, of the Department of the Treasury, and the Office of the Alien Property Custodian, an independent establishment, should be transferred to the Department of Justice.

7. The Office of Comptroller of the Currency should be abolished and its functions be assumed by the Federal Reserve Board.

8. The Board of Mediation and Conciliation should be abolished and its functions given to the Department of Labor.

9. The Council of National Defense should be abolished.

10. The Botanic Garden, now under Congressional supervision, should be placed in the Department of Agriculture.

11. The Solicitors for the several executive departments should be transferred from the Department of Justice to the departments to which they are respectively attached.

The suggestions which have been made in these pages are offered with the idea that they may be of assistance when the question of realigning government agencies is taken up. The reorganization plan which has been outlined should at least afford a logical basis for discussion. It is believed to be sound in principle, and fairly complete in detail. And yet it does little violence to the structure of the present organization. It adds one executive department, and changes the name of another. It provides so far as practicable for the restriction of the field of each existing department to those functions for which it was created. It materially reduces the number of independent establishments. It makes possible the correction by administrative action of the most apparent defects which grow out of present structural inconsistencies, and paves the way for the effective operation of the permanent budget bureau.